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LEASE AGREEMENT

THIS AGREEMENT OF LEASE, Made and entered into this 3~~rd~~ day of April, 1995, by and between **POTLATCH CORPORATION**, a Delaware corporation, party of the first part, hereinafter referred to as "Lessor", and **RAINIER HELICOPTER LOGGING INC.**, party of the second part, hereinafter referred to as "Lessee,"

WITNESSETH, that:

WHEREAS, Lessor is the owner, in fee simple of certain real property in Shoshone County, State of Idaho, more particularly described herein, and

WHEREAS, Lessee desires to Lease the described real property solely for the purpose of a helicopter parking and service area, and

WHEREAS, Lessor, in consideration of the payments and agreements hereinafter stated, does hereby lease unto the Lessee, that certain real property described in Exhibits "A" and "B" attached hereto, for a term and at a rental as set forth in Exhibit "A" attached hereto.. It is understood and agreed:

LESSOR:

(1) Its successors, contractors and assigns, may utilize the leased lands, or parts thereof, for any operations related to its business. The use to which the Lessee puts the lease land shall in no way interfere with said operations.

(2) Reserves the right to construct or cause to be constructed any approaches, crossings or anything else necessary to the operation of its business, at any time or place, and to otherwise use and occupy the demised.

(3) By its agents, shall have the right to enter upon said land at all times for the purpose of inspecting Lessee's operation.

LESSEE AGREES:

(1) To maintain and protect the premises from damage, ordinary wear and tear excepted, and to repair any such damage. Lessee's maintenance of the property shall be directed by Potlatch Corporation's St. Joe Area Construction Services Supervisor.

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(2) At the sole expense of the Lessee, upon termination of the lease to return the leased area to its original condition. Such work shall including but is not limited to grading, sloping and replacement of surfacing rock as directed by Potlatch Corporation's St. Joe Area Construction Services Supervisor.

(3) To do everything in its power to prevent and suppress fires on or in the vicinity of the demised premises, and to immediately notify the State Fire Warden, or other appropriate fire protection agency, of any fires occurring thereon, and to comply with all rules and regulations and statutes of any governmental agency concerning fire protection and control.

(4) Not to place any improvements thereon or to make any alterations in or upon improvements thereon without the prior written consent of Lessor first being had and obtained.

(5) Not to permit the premises to be used for any unlawful purpose.

(6) To pay all charges for electrical current, water, fuel, gas, garbage, sewer, and other charges for materials and services used by Lessee on the demised premises.

(7) To store all fuel in a manner that meets all State and/or Federal fuel storage requirements. All structures or excavations necessary to meet these requirements will be installed, maintained and removed/reclaimed at the sole expense of the Lessee.

(8) To indemnify, hold harmless and defend Potlatch Corporation from and against all liability, claims, damages, losses and expenses (including attorney fees) on account of injury to or death of any person or damage to or destruction of any property arising out of the use of the leased premises or the activities of the Lessee thereon. In order to perform the foregoing, Lessee shall, at its own expense and at all times, procure and keep in force comprehensive general liability insurance protecting Lessee and Potlatch Corporation, as an additional insured, from claims for damages in limits of not less than \$500,000 for any one person and for \$500,000 property damage and \$1,000,000 aggregate combined single limit.

Prior to use of this lease, Lessee shall provide to Potlatch Corporation certificates of insurance showing the Lessee has procured and is maintaining all of the insurance described above. Such certificates of insurance shall provide that Potlatch Corporation shall be notified at least twenty (20) days in advance of any modifications or cancellation of any policy.

(9) To comply with all federal, state, and local laws (statutes, ordinances, rules, regulations, etc.), including, but not limited to, all laws pertaining to environmental protection and safety. Lessee shall indemnify, hold harmless and defend Potlatch Corporation from and against all liability, claims, damages, losses and expenses (including attorney fees) on account of failure to comply with any applicable law.

IT IS MUTUALLY UNDERSTOOD AND AGREED:

(1) This lease is not assignable.

(2) In the event Lessee fails to perform any of the agreements herein contained, Lessor may give notice of such default to Lessee and require performance of Lessee to be made within seven (7) days of the date of mailing of said notice, and if the default is not corrected within said seven (7) day period, this lease shall be terminated. In the event Lessor elects to exercise such right of termination, Lessee shall not be entitled to a pro rated return of any advanced rentals which have been paid.

(3) Either party may terminate this lease by giving to the other fifteen calendar (15) days notice, in writing, of its desire to so terminate.

(4) At the termination of this lease, Lessee promises to surrender and give up the said premises to the Lessor, its successors or assigns, and failing to do so, Lessor, its successors or assigns, may re-enter and take possession of said premises and property without any formal proceedings, either of law or at equity.

(5) If the premises described in Exhibits "A" and "B", or any part thereof, shall be left after termination of Lease in such condition that causes Potlatch Corporation to incur expenses to clean or repair same, such expenses shall be paid Lessee.

(6) Lessee agrees to remove within thirty calendar (30) days of termination hereof any of Lessee's personal property situate upon the above described leased premises. As to any such property not so removed within said period of time, at the Lessor's discretion, all right, title and interest of the Lessee shall terminate and such property shall become the property of Lessor. If Potlatch Corporation incurs any expense in the removal or disposal of any such personal property, such expenses shall be paid by Lessee.

Rainier Helicopter
Avery Landing Lease
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(7). In the event of any suit or proceeding by either party herein against the other party, in any way arising out of this agreement, or attempting to enforce any right herein granted, the losing party in such suit or proceeding shall pay to the prevailing party such sum or sums as the court shall adjudge reasonable in such suit or proceeding, for attorney's fees for such prevailing party.

(8) This lease shall be subject to all provisions included in Exhibit "A" which is made a part hereof by this reference.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized representatives the day and year hereinabove first written.

LESSOR:

POTLATCH CORPORATION

Attest:


Norman Linton 4/3/95
St. Joe Area Manager

William F. Davis
Property Specialist

LESSEE:

RAINIER HELICOPTER LOGGING INC.

Attest:

By: _____

Title: _____

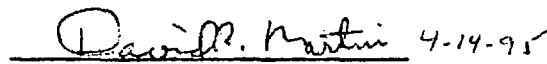
 4-14-95
~~John Peterson~~
Logging Manager
David R. Martin
Controller

EXHIBIT "A"

Addresses and Telephone Numbers of Parties for Notice:

LESSOR: POTLATCH CORPORATION Phone #: (208) 799-1706
Attn: Property Specialist
P.O. Box 1016
Lewiston, Idaho 83501

LESSEE: RAINIER HELICOPTER LOGGING INC. Phone #: ~~(208) 356-4571~~
12515 Willows Rd. N.E. (206) 821-2280
Suite 100
Kirkland, Washington 98034

TERM: This lease is for a term commencing on the execution date and expiring on
DECEMBER 31, 1996.

RENTAL: Lessee agrees to pay, in advance a monthly cash rental of Five Hundred
Dollars (500.00), payable at execution and on the first of the month
thereafter.

Payment will be sent to: POTLATCH CORPORATION
Attn: Ed Clark
P.O. Box 386
St. Maries, Idaho 83861

LEGAL DESCRIPTION: That portion of Government Lot 2 of Section 16, Township 45
North, Range 5 East, Boise Meridian, Shoshone County, State
of Idaho, located between the southerly boundary of FHWA
Forest Highway 50 and the northerly bank of the St. Joe River,
as more particularly shown on Exhibit "B" attached hereto and
make a apart hereof.

EXHIBIT "B"
Township 45 North Range 5 East
Lease Area

